

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill

March
FY 2003

Monthly Revenue

	<u>FY 03</u>	<u>FY 02</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 637.5	\$ 644.2	\$ (6.7)
Highway	\$ 17.1	\$ 16.5	\$.6
Fish & Game	\$.7	\$.5	\$.2

YTD Revenue

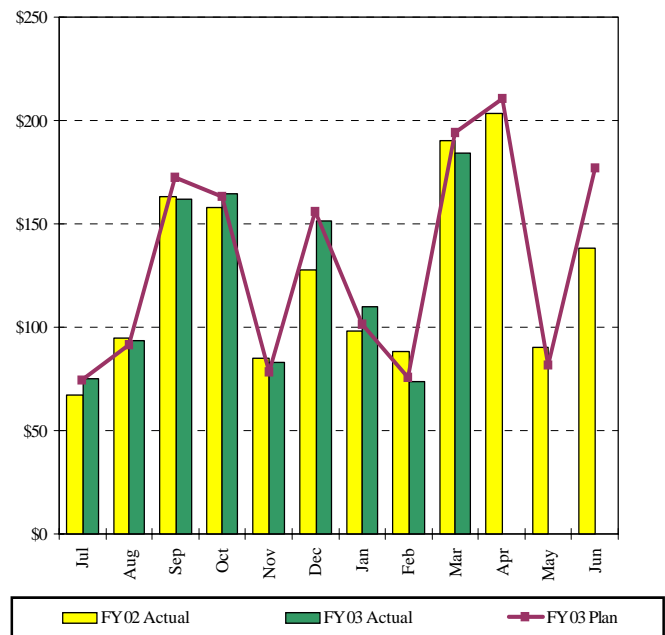
	<u>FY 03</u>	<u>FY 02</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$1,550.0	\$1,525.6	\$ 24.4
Highway	\$ 163.0	\$ 156.6	\$ 6.4
Fish & Game	\$ 5.9	\$ 5.5	\$.4

Current Month Analysis

General & Education Funds	<i>FY03 Actuals</i>	<i>FY03 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 42.8	\$ 53.4	\$ (10.6)
Business Enterprise Tax	30.1	25.9	4.2
Subtotal	72.9	79.3	(6.4)
Meals & Rooms Tax	12.5	13.8	(1.3)
Tobacco Tax	6.4	6.6	(0.2)
Liquor Sales and Distribution	7.0	6.6	0.4
Interest & Dividends Tax	1.4	2.5	(1.1)
Insurance Tax	21.8	19.1	2.7
Communications Tax	5.5	6.0	(0.5)
Real Estate Transfer Tax	5.7	5.2	0.5
Estate & Legacy Tax	3.0	4.6	(1.6)
Court Fines & Fees	1.5	2.4	(0.9)
Securities Revenue	2.6	3.3	(0.7)
Utility Tax	0.5	0.4	0.1
Board & Care Revenue	1.0	1.1	(0.1)
Beer Tax	0.7	0.8	(0.1)
Racing Revenue	0.3	0.3	-
Other	4.0	4.0	-
Transfers from Sweepstakes	4.7	5.5	(0.8)
Tobacco Settlement	-	-	-
Utility Property Tax	0.5	-	0.5
Property Tax Not Retained Locally	32.5	32.7	(0.2)
Property Tax Retained Locally	453.0	453.0	-
Subtotal	637.5	647.2	(9.7)
Net Medicaid Enhancement Rev	-	0.1	(0.1)
Subtotal	637.5	647.3	(9.8)
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-
Total	\$ 637.5	\$ 647.3	\$ (9.8)

Monthly Unrestricted Revenue

Excluding State Property Tax-Local



All funds reported in Millions and on a Cash Basis

2 NH Revenue Focus - March FY 2003

Unrestricted revenue for the General and Education Funds for March totaled \$637.5 million, which was below the original plan by \$9.8 million and below prior year by \$6.7 million. Year to date revenue totaled \$1,550.0 million, which was also below the original plan by \$10.3 million but is ahead prior year by \$24.4 million.

Proceeds from March **business taxes** were \$72.9 million, which was below estimates by \$6.4 million. Both March and April are significant collection months for BPT and BET, from calendar year taxpayers, for the following reasons:

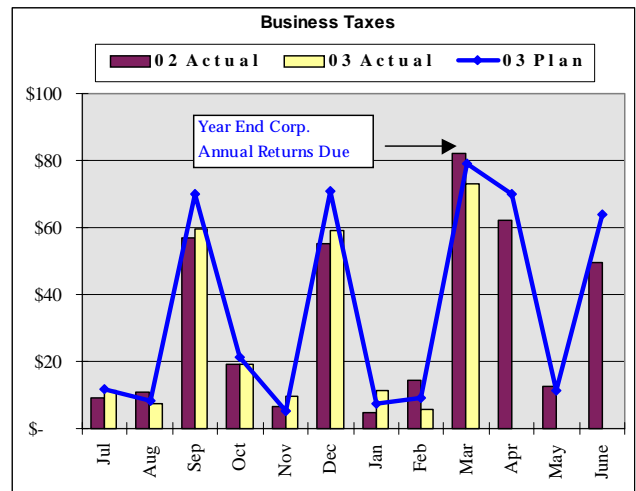
- Corporations file their final returns March 15 and all other entities file April 15; and
- First quarter estimated payments are due April 15.

Since the majority of the BET collections for non-corporate filers are received in April, the full extent of the shortfall will not be understood until April activity is analyzed. However, based on the collections to date, it is anticipated that business tax revenue will continue lag for the remainder of the fiscal year.

The **Insurance Premium Tax** for March totaled \$21.8 million, \$2.7 million above original estimates and \$3.3 million above prior year. Year to date collections were \$64.9 million, \$16.0 above plan and above prior year by \$5.7 million. Insurance companies file their final returns in March and also make their first quarter estimated payment.

The **State Property Tax** collected by the state and the portion retained locally (\$485.5 million) was recorded during March, along with the final adequacy grant payment. As can be seen on the following page, the cash balance in the **Education Trust Fund** was a negative \$119.4 million. As of March 31, grant payments to schools have been fully expended for fiscal 2003 and in addition the 3rd quarterly transfer of business taxes (\$35.6 million) from the general fund was processed.

In fiscal 2002, the Department of Health and Human Services (HHS) aggressively increased the expenditures charged under the **Medicaid Proportionate Share program (Proshare)**. Proshare is a shared County/State Medicaid program. Due to the uncertainty surrounding this transaction, the counties agreed to hold their share received in fiscal 2002 in escrow. The federal government objected to the methodology and deferred all of the fiscal 2002 transactions and therefore no revenue was recognized by the State in fiscal 2002. Since that time, the State has been diligently working with the federal government and has arrived at a revised billing methodology at a level lower than the amounts claimed in fiscal 2002 but higher than amounts claimed in previous years. For the quarter ending March 2003, the State has claimed the revised costs for fiscal years 2000, 2001 and 2002 and also received refunds back from the counties. The gain from these transactions is expected to total approximately \$16.0 million to the State and will be reported in April after these expenses have been reported to the federal government.



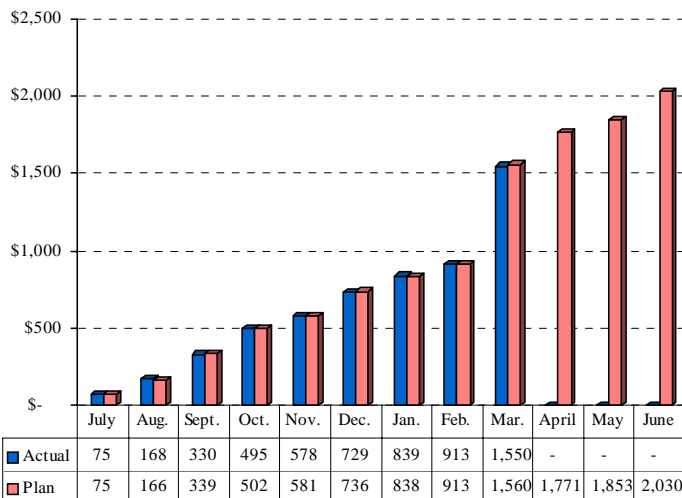
Comparison to FY 02

General & Education Funds	Monthly			Year-to-Date			%
	FY03 Actuals	FY02 Actuals	Inc/(Dec)	FY03 Actuals	FY02 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 42.8	\$ 41.9	\$ 0.9	\$ 112.8	\$ 103.1	\$ 9.7	9.4%
Business Enterprise Tax	30.1	40.1	(10.0)	143.3	155.9	(12.6)	-8.1%
Subtotal	72.9	82.0	(9.1)	256.1	259.0	(2.9)	-1.1%
Meals & Rooms Tax	12.5	12.2	0.3	136.3	131.6	4.7	3.6%
Tobacco Tax	6.4	6.3	0.1	68.3	63.8	4.5	7.1%
Liquor Sales and Distribution	7.0	6.4	0.6	76.9	72.9	4.0	5.5%
Interest & Dividends Tax	1.4	1.9	(0.5)	27.9	35.1	(7.2)	-20.5%
Insurance Tax	21.8	18.5	3.3	64.9	59.2	5.7	9.6%
Communications Tax	5.5	5.5	-	47.4	46.0	1.4	3.0%
Real Estate Transfer Tax	5.7	5.7	-	91.4	72.6	18.8	25.9%
Estate & Legacy Tax	3.0	3.9	(0.9)	39.0	47.7	(8.7)	-18.2%
Court Fines & Fees	1.5	2.3	(0.8)	19.7	20.1	(0.4)	-2.0%
Securities Revenue	2.6	3.1	(0.5)	12.0	12.8	(0.8)	-6.3%
Utility Tax	0.5	0.5	-	4.5	4.8	(0.3)	-6.3%
Board & Care Revenue	1.0	0.6	0.4	7.3	7.5	(0.2)	-2.7%
Beer Tax	0.7	0.7	-	9.3	9.3	-	0.0%
Racing Revenue	0.3	0.3	-	3.0	3.1	(0.1)	-3.2%
Other	4.0	4.2	(0.2)	37.3	34.1	3.2	9.4%
Transfers from Sweepstakes	4.7	4.4	0.3	44.1	47.3	(3.2)	-6.8%
Tobacco Settlement	-	-	-	11.2	10.3	0.9	8.7%
Utility Property Tax	0.5	-	0.5	9.8	9.8	-	0.0%
Property Tax Not Retained Locally	32.5	25.9	6.6	32.7	26.2	6.5	24.8%
Property Tax Retained Locally	453.0	454.1	(1.1)	453.0	454.1	(1.1)	-0.2%
Subtotal	637.5	638.5	(1.0)	1,452.1	1,427.3	24.8	1.7%
Net Medicaid Enhancement Rev	-	2.9	(2.9)	87.8	85.4	2.4	2.8%
Subtotal	637.5	641.4	(3.9)	1,539.9	1,512.7	27.2	1.8%
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	2.8	(2.8)	10.1	12.9	(2.8)	-21.7%
Total	\$ 637.5	\$ 644.2	\$ (6.7)	\$ 1,550.0	\$ 1,525.6	\$ 24.4	1.6%

Year-to-Date Analysis

General & Education Funds	General		Education		Total		
	Actual	Plan	Actual	Plan	Actual	Plan	Actual vs. Plan
Business Profits Tax	\$ 85.4	\$ 143.9	\$ 27.4	\$ 27.4	\$ 112.8	\$ 171.3	\$ (58.5)
Business Enterprise Tax	64.1	33.8	79.2	79.2	143.3	113.0	30.3
Subtotal	149.5	177.7	106.6	106.6	256.1	284.3	(28.2)
Meals & Rooms Tax	131.0	142.7	5.3	6.3	136.3	149.0	(12.7)
Tobacco Tax	47.9	45.1	20.4	18.3	68.3	63.4	4.9
Liquor Sales and Distribution	76.9	73.7	-	-	76.9	73.7	3.2
Interest & Dividends Tax	27.9	35.2	-	-	27.9	35.2	(7.3)
Insurance Tax	64.9	48.9	-	-	64.9	48.9	16.0
Communications Tax	47.4	53.4	-	-	47.4	53.4	(6.0)
Real Estate Transfer Tax	60.9	49.1	30.5	24.3	91.4	73.4	18.0
Estate & Legacy Tax	39.0	41.2	-	-	39.0	41.2	(2.2)
Court Fines & Fees	19.7	19.1	-	-	19.7	19.1	0.6
Securities Revenue	12.0	14.5	-	-	12.0	14.5	(2.5)
Utility Tax	4.5	4.0	-	-	4.5	4.0	0.5
Board & Care Revenue	7.3	8.1	-	-	7.3	8.1	(0.8)
Beer Tax	9.3	9.1	-	-	9.3	9.1	0.2
Racing Revenue	3.0	3.0	-	-	3.0	3.0	-
Other	37.3	34.1	-	-	37.3	34.1	3.2
Transfers from Sweepstakes	-	-	44.1	44.0	44.1	44.0	0.1
Tobacco Settlement	-	-	11.2	11.0	11.2	11.0	0.2
Utility Property Tax	-	-	9.8	10.2	9.8	10.2	(0.4)
Property Tax Not Retained Locally	-	-	32.7	32.7	32.7	32.7	-
Property Tax Retained Locally	-	-	453.0	453.0	453.0	453.0	-
Subtotal	738.5	758.9	713.6	706.4	1,452.1	1,465.3	(13.2)
Net Medicaid Enhancement Rev	87.8	84.9	-	-	87.8	84.9	2.9
Subtotal	826.3	843.8	713.6	706.4	1,539.9	1,550.2	(10.3)
Other Medicaid Enhancement Rev to Fund Net Appropriations	10.1	10.1	-	-	10.1	10.1	-
Total	\$ 836.4	\$ 853.9	\$ 713.6	\$ 706.4	\$ 1,550.0	\$ 1,560.3	\$ (10.3)

Cumulative Unrestricted Revenue



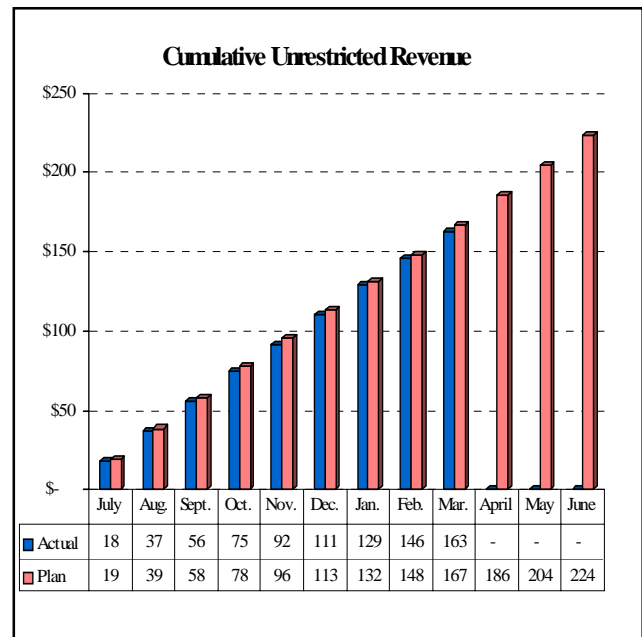
Education Trust Fund Statement of Activity - FY 2003 July 1, 2002 to March 31, 2003

Description	In Millions
Beginning Cash Balance	\$ (18.5)
Unrestricted Revenue - See above	713.6
Transfers from General Fund Appropriations	83.4
Expenditures	
Education Grants & Adm Costs	(897.9)
Cash Balance March 31, 2003	\$ (119.4)

Year-to-Date Analysis

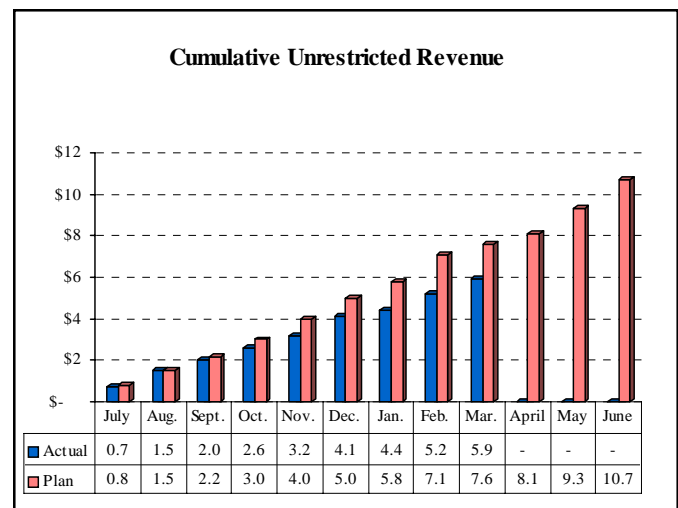
Highway Fund

<i>Revenue Category</i>	<i>FY 03 Actuals</i>	<i>FY 03 Plan</i>	<i>Actual vs. Plan</i>
Gasoline Road Toll	\$ 94.8	\$ 96.5	\$ (1.7)
Miscellaneous	3.7	6.5	(2.8)
Motor Vehicle Fees			
MV Registrations	46.4	45.5	0.9
MV Operators	9.5	10.8	(1.3)
Inspection Station Fees	1.6	1.6	-
MV Miscellaneous Fees	3.2	3.5	(0.3)
Certificate of Title	3.8	2.4	1.4
Total Fees	64.5	63.8	0.7
Total	\$ 163.0	\$ 166.8	\$ (3.8)



Fish & Game Fund

<i>Revenue Category</i>	<i>FY 03 Actuals</i>	<i>FY 03 Plan</i>	<i>Actual vs. Plan</i>
Fish and Game Licenses	\$ 5.2	\$ 6.5	\$ (1.3)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.2	0.4	(0.2)
Federal Recoveries Indirect Costs	0.4	0.6	(0.2)
Total	\$ 5.9	\$ 7.6	\$ (1.7)



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